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To: The Director

25 October

From: Recorder, Project Review Committee

Subject: NIS Program Projects

1. While the attached Petroleum Intelligence Project is recommended for approval by the PRC, it raises the question of overall financial support of the NIS Program. PRC has considered repeated proposals for additional money due to changes in plans, unforeseen requirements, or underestimates of expense. This is perhaps inevitable in a joint effort of this sort, but perhaps a more efficient control can be provided by central planning for budgetary purposes.

2. The consensus of your Committee is that the NIS budgetary problem be surveyed for determination whether it should be centrally controlled in CIA or otherwise.

/s/

LAWRENCE R. HOUSTON

MEMO TO THE DIRECTOR OF CENTRAL INTELLIGENCE

26 October 1949

1. This is the second request from outside the Agency for financial assistance in support of the NIS program. Others are anticipated from the armed services in view of cuts in the Defense Department appropriations for the fiscal year 1950.

2. Heretofore the armed services have indicated that they desire to obtain directly their own budget support for the NIS program while CIA submits the budget for all other agencies involved. Continuation on this basis will probably jeopardize our NIS production schedule each year as more economy is forced upon the Defense Department.

3. Recommend that this problem be referred to OOPS for further coordination and recommendation as to the most appropriate and feasible budgeting for the NIS program in fiscal year 1950 and thereafter.

Approved 26 Oct. 1949

/s/

R.H. Hillenkoetter
D.C.I.

Orig. to Chief, OOPS
Copy to Budget Officer
Copy to Management Officer

/s/
[Redacted]
Captain, USN
Executive

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NO CHANGE in Class. ☒

☐ DECLASSIFIED

Class. CHANGED TO: TS S C

Exempt from automatic downgrading and declassification, 4 Apr 77

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